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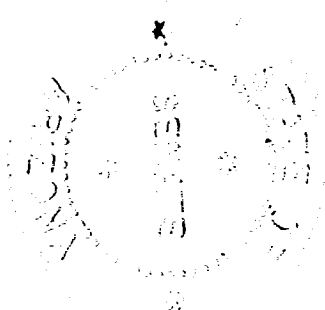
CHAPTER 210

SENATE BILL 1436

AN ACT

AMENDING SECTIONS 35-101, 35-111, 35-112, 35-113, 35-114, 35-115, 35-116, 35-119, 35-121, 35-122, 41-723, 41-793 AND 41-1273, ARIZONA REVISED STATUTES; RELATING TO THE STATE BUDGET.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-101, Arizona Revised Statutes, is amended to
3 read:

4 35-101. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Allotment" means the allocation of an appropriation or other fund
7 source over a full fiscal year within a budget program or expenditure class.

8 2. "ANNUAL BUDGET UNIT" MEANS THE FOLLOWING AGENCIES:

9 (a) THE DEPARTMENT OF EDUCATION.

10 (b) THE ARIZONA BOARD OF REGENTS.

11 (c) ARIZONA STATE UNIVERSITY.

12 (d) ARIZONA STATE UNIVERSITY WEST CAMPUS.

13 (e) ARIZONA STATE UNIVERSITY EAST CAMPUS.

14 (f) THE UNIVERSITY OF ARIZONA.

15 (g) NORTHERN ARIZONA UNIVERSITY.

16 (h) THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES.

17 (i) THE SCHOOL FACILITIES BOARD.

18 (j) THE DEPARTMENT OF ECONOMIC SECURITY.

19 (k) THE STATE DEPARTMENT OF CORRECTIONS.

20 (l) THE DEPARTMENT OF JUVENILE CORRECTIONS.

21 (m) THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

22 (n) THE DEPARTMENT OF HEALTH SERVICES.

23 (o) THE DEPARTMENT OF ADMINISTRATION.

24 (p) THE DEPARTMENT OF TRANSPORTATION.

25 (q) THE JUDICIARY, INCLUDING THE SUPREME COURT, THE COURT OF APPEALS
26 AND THE SUPERIOR COURT.

27 ~~2.~~ 3. "Authorized agent" means a commercial enterprise contracted to
28 process transactions on behalf of a state agency.

29 4. "BIENNIAL BUDGET UNIT" MEANS ANY DEPARTMENT, COMMISSION, BOARD,
30 INSTITUTION OR OTHER AGENCY OF THE STATE ORGANIZATION RECEIVING, EXPENDING
31 OR DISBURSING STATE FUNDS OR INCURRING OBLIGATIONS AGAINST THE STATE THAT IS
32 NOT AN ANNUAL BUDGET UNIT.

33 ~~3.~~ 5. "Budget estimates" means statements with accompanying
34 explanations, as provided by this chapter, in which a budget unit states its
35 financial requirements and requests appropriations.

36 ~~4.~~ 6. "Budget program" means functions and activities of a budget
37 unit, or within a budget unit that are preplanned to fulfill a distinct
38 mission.

39 ~~5.~~ 7. "Budget unit" means any department, commission, board,
40 institution or other agency of the state organization receiving, expending
41 or disbursing state funds or incurring obligations against the state. BUDGET
42 UNIT INCLUDES THE ANNUAL BUDGET UNITS AND BIENNIAL BUDGET UNITS.

43 ~~6.~~ 8. "Cardholder" means any person:

44 (a) Named on the face of a credit card to whom or for whose benefit
45 the credit card is issued by an issuer.

1 (b) In possession of a credit card with the consent of the person to
2 whom the credit card was issued.

3 ~~7-~~ 9. "Claim" means a demand against the state for payment for
4 either:

5 (a) Goods delivered or, in the case of highway construction, goods or
6 facilities to be delivered, by the federal government.

7 (b) Services performed.

8 ~~8-~~ 10. "Convenience fee" means an additional fee THAT IS imposed by
9 an authorized agent on an electronic transaction AND that would not be
10 charged if the same transaction were completed in person.

11 ~~9-~~ 11. "Credit card" means:

12 (a) Any instrument or device, whether known as a credit card, charge
13 card, credit plate, courtesy card or identification card or by any other
14 name, issued with or without a fee by an issuer for the use of the cardholder
15 in obtaining money, goods, services or anything else of value, either on
16 credit or in possession or in consideration of an undertaking or guaranty by
17 the issuer of the payment of a check drawn by the cardholder, on a promise
18 to pay in part or in full at a future time, whether or not all or any part
19 of the indebtedness represented by this promise to make deferred payment is
20 secured or unsecured.

21 (b) Any debit card, electronic benefit transfer card or other access
22 instrument or device, other than a check that is signed by the holder or
23 other authorized signatory on the deposit account, that draws monies from a
24 deposit account in order to obtain money, goods, services or anything else
25 of value.

26 (c) Any stored value card, smart card or other instrument or device
27 that enables a person to obtain goods, services or anything else of value
28 through the use of value stored on the instrument or device.

29 (d) The number assigned to an instrument or device described in
30 subdivisions SUBDIVISION (a), (b) and OR (c) of this paragraph even if the
31 physical instrument or device is not used or presented.

32 ~~10-~~ 12. "Discount fee" means the fee calculated and charged by the
33 card issuer or the processing financial institution, pursuant to a merchant
34 agreement for the processing of any credit card transaction.

35 ~~11-~~ 13. "Encumbrance" means an obligation in the form of any purchase
36 order, contract or other commitment which is chargeable to an appropriation
37 or any other authorized fund source and for which a part of the fund source
38 is reserved. It ceases to be an encumbrance when paid or canceled.

39 ~~12-~~ 14. "Expenditure class" means one of the kinds of expenditure
40 denoting a class of services or commodities purchased or properties acquired
41 as specified in the classification of expenditures prescribed by the director
42 of the department of administration for use in expenditure accounting, in
43 making budget estimates and in the budget reports and budgets.

1 ~~13.~~ 15. "Issuer" means any business organization, state agency or
2 financial institution, or its duly authorized agent, that issues a credit
3 card.

4 ~~14.~~ 16. "Prepayment" means the payment of a claim before receiving the
5 goods or services.

6 ~~15.~~ 17. "Purchase order" means a document that is signed by the
7 appropriate agency authorized signatory, that requests a vendor to deliver
8 described goods or services at a specific price and that on delivery and
9 acceptance of the goods or services by this state becomes an obligation of
10 this state.

11 ~~16.~~ 18. "Transaction amount" means the total amount due to the state
12 for any goods, service or license or anything else of value.

13 Sec. 2. Section 35-111, Arizona Revised Statutes, is amended to read:

14 35-111. Executive budget; revisions

15 EVERY YEAR FOR ANNUAL BUDGET UNITS AND BIENNIALY IN ODD-NUMBERED YEARS
16 FOR BIENNIAL BUDGET UNITS, not later than five days after the regular session
17 of the legislature convenes ~~in odd-numbered years~~, the governor shall submit
18 to the legislature a budget containing a complete plan of expenditures
19 proposed to be made before the close of the two ensuing fiscal years FOR
20 BIENNIAL BUDGET UNITS AND FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS
21 and all monies and revenues estimated to be available therefor, together with
22 an explanation of the basis of the estimates and recommendations as to
23 proposed legislation, if any, which the governor deems necessary to provide
24 revenues sufficient to meet the proposed expenditures. The plan shall
25 delineate each fiscal year separately. Not later than five days after the
26 regular session of the legislature convenes in even-numbered years, the
27 governor may submit to the legislature any proposed revisions to the enacted
28 budgets for the current and ensuing fiscal years. The plan shall include an
29 estimate of all available monies and revenues and an explanation for any
30 changes to the enacted budgets.

31 Sec. 3. Section 35-112, Arizona Revised Statutes, is amended to read:

32 35-112. Forms for budget unit estimates; date of transmittal

33 A. The governor shall prescribe the forms to be used by the budget
34 units in submitting their budget estimates and requests for appropriations
35 in accordance with the provisions of this chapter and shall prepare necessary
36 instructions for guidance of officials in preparing the budget estimates and
37 requests.

38 ~~B. On or before June 1 of each even-numbered year, the governor shall~~
39 ~~transmit to the administrative head of each budget unit at least three~~
40 ~~complete sets of prescribed forms on which budget estimates and requests for~~
41 ~~appropriations for the next two ensuing fiscal years YEAR are to be~~
42 submitted.

1 Sec. 4. Section 35-113, Arizona Revised Statutes, is amended to read:
2 35-113. Submission of budget estimates

3 EVERY YEAR FOR ANNUAL BUDGET UNITS AND BIENNIAL IN EVEN-NUMBERED
4 YEARS FOR BIENNIAL BUDGET UNITS, the head of each budget unit, not later than
5 September 1 of ~~each even-numbered year~~ or at a later date not to exceed
6 thirty days after September 1 if approved by the director of the governor's
7 office of strategic planning and budgeting, shall submit to the governor,
8 with five copies, estimates of the financial requirements and of receipts of
9 the budget unit for the next two ensuing fiscal years FOR BIENNIAL BUDGET
10 UNITS AND FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS. The estimates
11 shall be on the forms and in the manner prescribed by the governor with
12 explanatory data that may be required, together with additional information
13 the head of the budget unit desires to submit. THE GOVERNOR MAY REQUIRE
14 BIENNIAL BUDGET UNITS TO SUBMIT BUDGET ESTIMATES MORE OFTEN THAN EVERY TWO
15 YEARS. By July 1, 1998, the staff of the joint legislative budget committee
16 and the governor's office of strategic planning and budgeting shall issue a
17 schedule specifying the year in which each budget unit shall begin submitting
18 the financial requirements for each program and subprogram for which the
19 budget unit is wholly or partially responsible as determined pursuant to
20 section 35-122. All budget units shall be converted by fiscal year
21 2006. The estimate so submitted shall bear the approval of the
22 administrative head of the budget unit.

23 Sec. 5. Section 35-114, Arizona Revised Statutes, is amended to read:
24 35-114. Continuous financial planning; submission of tentative
25 budget report; appropriations estimate report

26 A. The governor shall have in continuous process of preparation and
27 revision a tentative budget report for the next two ensuing years FOR
28 BIENNIAL BUDGET UNITS AND FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS
29 for which a budget report is required to be prepared. Upon receipt of the
30 estimates of the several budget units the governor shall check the estimates
31 with information available to the governor and shall make further inquiries
32 and investigations and recommend changes in the tentative budget report the
33 governor deems warranted.

34 B. The governor's office of strategic planning and budgeting in
35 consultation with the joint legislative budget committee staff shall
36 determine and report to the governor and the legislature an estimate of
37 appropriations subject to the limit imposed by article IX, section 17,
38 Constitution of Arizona. The report shall be published by:

39 1. February 15 of each ~~odd-numbered year~~ for the PRECEDING FISCAL
40 YEAR, FOR THE current fiscal year and FOR THE ENSUING FISCAL YEAR to reflect
41 the budget recommendations of the governor. ~~for the two ensuing fiscal years.~~

42 2. ~~November 1 of each year to reflect the total amount appropriated~~
43 ~~for the current and preceding fiscal years.~~

1 Sec. 6. Section 35-115, Arizona Revised Statutes, is amended to read:
2 35-115. Contents of budget report

3 Each budget report of ~~odd-numbered years~~ as required by section 35-111
4 shall include the following:

5 1. Summary statements of the financial condition of the state, to
6 include:

7 (a) A consolidated balance sheet showing all current assets and
8 liabilities of the state at the close of the fiscal year last concluded.

9 (b) Summary statements of the actual income and expenditures of the
10 fiscal year last concluded.

11 (c) Similar summary statements of estimated fund balances for the
12 current fiscal year.

13 2. Schedules showing actual income from each source for the preceding
14 fiscal year and the estimated income of the current fiscal year and of the
15 two ensuing fiscal years FOR BIENNIAL BUDGET UNITS AND FOR THE NEXT FISCAL
16 YEAR FOR ANNUAL BUDGET UNITS. The statements of income and estimated income
17 shall be itemized by source, by budget units and sources, and by funds and
18 shall show separately revenue from nonrevenue, all detailed by sources.

19 3. Detailed comparative statements of expenditures and requests for
20 appropriations by funds, budget units, budget programs and budget classes,
21 showing the expenditures for the fiscal year last concluded, and the
22 estimated expenditures for the current year, and the request of each budget
23 unit and the governor's recommendations for appropriations for the two
24 ensuing fiscal years FOR BIENNIAL BUDGET UNITS AND FOR THE NEXT FISCAL YEAR
25 FOR ANNUAL BUDGET UNITS, all distributed according to budget programs and
26 budget classes. In connection with each expenditure involving construction
27 projects to be completed in one or more fiscal years, there shall be shown
28 the total estimated cost of each project and the amount recommended to be
29 appropriated and expended in each ensuing fiscal year until completion of the
30 project. The state capital improvement plan and the governor's
31 recommendations concerning the plan shall be incorporated into the budget
32 report.

33 4. A summary statement for each fund of the cash resources estimated
34 to be available at the beginning of the next two fiscal years FOR BIENNIAL
35 BUDGET UNITS AND FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS and the
36 estimated cash receipts for the two ensuing fiscal years FOR BIENNIAL BUDGET
37 UNITS AND FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS, as compared with
38 the total recommended amounts for appropriations for all budget programs and
39 budget classes for the two ensuing fiscal years FOR BIENNIAL BUDGET UNITS AND
40 FOR THE NEXT FISCAL YEAR FOR ANNUAL BUDGET UNITS, and if the total of the
41 recommended expenditures exceeds the total of the estimated resources,
42 recommendations as to how the deficiency is to be met and estimates of
43 receipts from any proposed additional revenues.

44 5. ~~For the 1999-2000~~ EACH fiscal year and thereafter FOR ANNUAL BUDGET
45 UNITS AND BIENNIALY FOR BIENNIAL BUDGET UNITS, delineation, by budget unit,

1 of requested expenditures for administrative costs, including administrative
2 personnel salaries and employee related expenses and direct, indirect and
3 shared costs for administrative office space, equipment, supplies and
4 overhead. For purposes of this paragraph, "administrative" means any
5 supportive activity relating to management, supervision, budget or execution
6 of the affairs of the budget unit as distinguished from activities relating
7 to its primary direct service functions. The process of delineation and
8 determination of what constitutes administrative costs for each budget unit
9 shall be developed by the governor's office of strategic planning and
10 budgeting in consultation with the director and staff of the joint
11 legislative budget committee.

12 6. A summary on one page or less providing selected performance
13 measures of the budget unit for the previous fiscal year and the budget
14 years. The performance measures may be expressed as service level measures
15 on a unit cost basis and shall be established by the governor's office of
16 strategic planning and budgeting in consultation with the director and staff
17 of the joint legislative budget committee.

18 Sec. 7. Section 35-116, Arizona Revised Statutes, is amended to read:

19 35-116. Supervisory powers of governor relating to budget
20 report; exceptions

21 A. Prior to submission of the budget report to the legislature, the
22 governor shall examine the statements and estimates and shall make or cause
23 to be made further investigations, with hearings before the governor, or the
24 governor's designee, and shall make changes or revisions in appropriations
25 requested that the governor deems advisable.

26 B. ~~The judiciary and the legislature~~ shall not be subject to the
27 control of the governor in the preparation and submission of budgets, but
28 shall submit their ITS requests for appropriations for the two ensuing fiscal
29 years to the governor for review by the legislature.

30 C. THE JUDICIARY SHALL NOT BE SUBJECT TO THE CONTROL OF THE GOVERNOR
31 IN THE PREPARATION AND SUBMISSION OF BUDGETS, BUT SHALL SUBMIT ITS REQUESTS
32 FOR APPROPRIATIONS FOR THE ENSUING FISCAL YEAR TO THE GOVERNOR FOR REVIEW BY
33 THE LEGISLATURE.

34 ~~C.~~ D. The appropriation requests of the Arizona board of regents and
35 the department of transportation for the ensuing fiscal year may be revised
36 by the governor, but the governor shall also submit the appropriation request
37 prepared and submitted by the budget unit in its original form to the
38 legislature for review.

39 Sec. 8. Section 35-119, Arizona Revised Statutes, is amended to read:

40 35-119. Assistance to appropriation committees

41 From the time of transmission of the budget report to the legislature
42 until the appropriation act or acts have been finally disposed of, the
43 director of the department of administration GOVERNOR'S OFFICE OF STRATEGIC
44 PLANNING AND BUDGETING, in person or by an assistant, shall be available to

1 the legislature and the appropriation committees thereof for explanation of
2 any recommendation made in the governor's budget report to the legislature.

3 Sec. 9. Section 35-121, Arizona Revised Statutes, is amended to read:

4 35-121. Format of appropriations

5 The format of the appropriations for the support and maintenance of
6 state departments and institutions shall be FOR EACH FISCAL YEAR FOR THE
7 ANNUAL BUDGET UNITS, AND FOR THE BIENNIAL BUDGET UNITS, for two fiscal years,
8 itemized separately for each fiscal year.

9 Sec 10. Section 35-122, Arizona Revised Statutes, is amended to read:

10 35-122. Strategic plans; program lists; compilation

11 A. Consistent with instructions issued by the governor, the
12 administrative head of each budget unit is responsible for DEVELOPING A LIST
13 OF PROGRAMS FOR THE BUDGET UNIT. FOR PURPOSES OF THIS SECTION, A PROGRAM MAY
14 INCLUDE A SUBPROGRAM AS DETERMINED BY THE GOVERNOR'S OFFICE OF STRATEGIC
15 PLANNING AND BUDGETING AND THE STAFF OF THE JOINT LEGISLATIVE BUDGET
16 COMMITTEE. IN CONSULTATION WITH THE STAFF OF THE JOINT LEGISLATIVE BUDGET
17 COMMITTEE, THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING MAY
18 MODIFY THE LIST OF PROGRAMS SUBMITTED BY EACH BUDGET UNIT. :-

19 ~~1. Developing a strategic plan for the entire budget unit. At a~~
20 ~~minimum, the plan shall extend for the current fiscal year and the two~~
21 ~~ensuing fiscal years and shall contain a mission statement, goals, objectives~~
22 ~~and performance measures for the budget unit as a whole. The performance~~
23 ~~measures shall be stated in terms that are consistent with a budget unit's~~
24 ~~goals and objectives and that emphasize results. The strategic plan shall~~
25 ~~be submitted to the governor's office of strategic planning and budgeting and~~
26 ~~to the staff of the joint legislative budget committee by September 1 of each~~
27 ~~year.~~

28 ~~2. Developing a strategic plan for each program identified in~~
29 ~~subsection B of this section. The plan shall use the same format as the plan~~
30 ~~required under paragraph 1. These plans shall not be submitted to the~~
31 ~~governor's office of strategic planning and budgeting and the staff of the~~
32 ~~joint legislative budget committee unless otherwise required for a strategic~~
33 ~~program area review authorized by section 41-1275.~~

34 B. Consistent with instructions issued by the governor, the
35 administrative head of each ANNUAL budget unit is responsible for:

36 ~~1. Developing a list of programs FIVE-YEAR STRATEGIC PLAN for the~~
37 ~~ENTIRE budget unit. For each program the list shall include a description,~~
38 ~~its mission statement, goals, performance measures that emphasize results and~~
39 ~~budgetary data for the current and prior fiscal year. The budgetary data~~
40 ~~shall include funding amounts, regardless of source. The list of programs~~
41 ~~shall be submitted to the governor's office of strategic planning and~~
42 ~~budgeting by September 1 of each year. The governor's instructions shall~~
43 ~~allow budget units with a minimal number of programs to consolidate their~~
44 ~~submissions for the strategic plan required under subsection A of this~~
45 ~~section with the list of programs required under this subsection. THE~~

1 STRATEGIC PLAN SHALL BE UPDATED ANNUALLY AS NECESSARY. THE PLAN SHALL
2 CONTAIN STRATEGIC ISSUES, A MISSION STATEMENT, DESCRIPTION, GOALS, STRATEGIES
3 AND RESOURCE ASSUMPTIONS. THE RESOURCE ASSUMPTIONS SHALL INCLUDE THE NUMBER
4 OF FULL-TIME EQUIVALENT POSITIONS AND BUDGETARY DATA, INCLUDING ALL FUNDING
5 SOURCES CATEGORIZED BY GENERAL FUND, OTHER APPROPRIATED FUNDS,
6 NON-APPROPRIATED FUNDS AND FEDERAL FUNDS THAT ARE REQUIRED TO SUPPORT THE
7 STRATEGIC PLAN. THE STRATEGIC PLAN SHALL BE POSTED ON THE AGENCY'S OFFICIAL
8 INTERNET WEBSITE AND SUBMITTED TO THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING
9 AND BUDGETING AND TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET COMMITTEE BY
10 JANUARY 1 OF EACH YEAR. THE SENATE APPROPRIATIONS COMMITTEE AND THE HOUSE
11 OF REPRESENTATIVES APPROPRIATIONS COMMITTEE SHALL REVIEW THE STRATEGIC PLANS
12 ANNUALLY.

13 2. DEVELOPING AN OPERATING PLAN FOR EACH PROGRAM IDENTIFIED IN
14 SUBSECTION A. THE PLAN SHALL USE THE FORMAT REQUIRED IN SUBSECTION E AND BE
15 SUBMITTED TO THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING BY
16 SEPTEMBER 1 OF EACH YEAR. EACH YEAR ANNUAL BUDGET UNITS SHALL SUBMIT
17 PERFORMANCE MEASURES AND BUDGETARY DATA FOR THE PRIOR, CURRENT AND ENSUING
18 FISCAL YEAR.

19 3. DEVELOPING A MISSION STATEMENT, DESCRIPTION AND STRATEGIC ISSUES
20 FOR THE ENTIRE BUDGET UNIT AS PART OF THE OPERATING PLAN TO BE SUBMITTED TO
21 THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING BY SEPTEMBER 1 OF
22 EACH YEAR. THE MISSION STATEMENT, DESCRIPTION AND STRATEGIC ISSUES SHALL BE
23 SUBMITTED AT THE SAME TIME TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET
24 COMMITTEE.

25 C. CONSISTENT WITH INSTRUCTIONS ISSUED BY THE GOVERNOR, THE
26 ADMINISTRATIVE HEAD OF EACH BIENNIAL BUDGET UNIT IS RESPONSIBLE FOR:

27 1. DEVELOPING AN OPERATING PLAN FOR EACH PROGRAM IDENTIFIED IN
28 SUBSECTION A. THE PLAN SHALL USE THE FORMAT REQUIRED IN SUBSECTION E AND BE
29 SUBMITTED TO THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING BY
30 SEPTEMBER 1 OF EACH YEAR. IN EVEN NUMBERED YEARS, BIENNIAL BUDGET UNITS
31 SHALL SUBMIT PERFORMANCE MEASURES AND BUDGETARY DATA FOR THE PRIOR, CURRENT
32 AND TWO ENSUING FISCAL YEARS. IN ODD NUMBERED YEARS, BIENNIAL BUDGET UNITS
33 SHALL SUBMIT PERFORMANCE MEASURES AND BUDGETARY DATA FOR THE PRIOR, CURRENT
34 AND ONE ENSUING FISCAL YEAR.

35 2. DEVELOPING A MISSION STATEMENT, DESCRIPTION AND STRATEGIC ISSUES
36 FOR THE ENTIRE BUDGET UNIT AS PART OF THE OPERATING PLAN TO BE SUBMITTED TO
37 THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING BY SEPTEMBER 1 OF
38 EACH YEAR. THE MISSION STATEMENT, DESCRIPTION AND STRATEGIC ISSUES SHALL BE
39 SUBMITTED AT THE SAME TIME TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET
40 COMMITTEE.

41 D. PURSUANT TO SUBSECTION A, BIENNIAL BUDGET UNITS THAT HAVE ONE
42 PROGRAM ARE RESPONSIBLE FOR THE PLAN REQUIREMENTS OF THE PROGRAM AND THE
43 BUDGET UNIT.

1 E. THE OPERATING PLAN SHALL INCLUDE A MISSION STATEMENT, DESCRIPTION,
2 GOALS, PERFORMANCE MEASURES THAT EMPHASIZE RESULTS AND BUDGETARY DATA. THE
3 BUDGETARY DATA SHALL INCLUDE FUNDING AMOUNTS, REGARDLESS OF SOURCE.

4 ~~C. F. The governor's office of strategic planning and budgeting shall~~
5 ~~compile the submissions required in subsection B, PARAGRAPHS 2 AND 3, AND~~
6 ~~SUBSECTION C of this section and no later than five days after the regular~~
7 ~~session of the legislature convenes of each even-numbered year shall publish~~
8 ~~a master list of programs that are performed or overseen by state~~
9 ~~government. In consultation with the staff of the joint legislative budget~~
10 ~~committee, the governor's office of strategic planning and budgeting may~~
11 ~~modify the list of programs submitted by each budget unit. The master list~~
12 ~~shall include the program description, AGENCY DESCRIPTION, mission statement,~~
13 ~~STRATEGIC ISSUES, goals, performance measures and budgetary data. The list~~
14 ~~shall include all programs that are administered jointly by two or more~~
15 ~~budget units.~~

16 ~~D. For purposes of this section, a program may include a subprogram~~
17 ~~as determined by the governor's office of strategic planning and budgeting~~
18 ~~and the staff of the joint legislative budget committee.~~

19 Sec. 11. Section 41-723, Arizona Revised Statutes, is amended to read:

20 41-723. Federal-state fiscal research officer; duties

21 A. The director shall designate a person to be in charge of
22 preparation of the executive budget as the federal-state fiscal research
23 officer.

24 B. The director or the federal-state fiscal research officer shall:

25 1. Confer with officials of federal agencies concerning grants-in-aid
26 generally, and particularly in regard to federal-aid programs in progress in
27 the state of Arizona.

28 2. Report to the legislature at each regular session ~~in odd-numbered~~
29 ~~years~~ findings and recommendations in the following areas:

30 (a) The total amount of federal grants-in-aid received by Arizona
31 agencies during the preceding fiscal year.

32 (b) The total amount of federal grants-in-aid available to Arizona
33 agencies during the preceding fiscal year, giving reasons for any difference
34 between the amount of funds available to and the amount of funds accepted by
35 Arizona agencies in all federal grant-in-aid programs.

36 (c) The adequacy of grant-in-aid programs in progress in the state of
37 Arizona.

38 (d) Federal grant-in-aid programs in which the state does not
39 participate.

40 (e) Legislation necessary for activation of federal programs in which
41 the state does not participate.

42 (f) Legislation necessary for improved operation of federal
43 grant-in-aid programs in progress in the state of Arizona.

44 (g) Advisability of accepting new grant-in-aid programs or
45 discontinuing programs already in progress.

1 3. Have access to the books, accounts, reports and vouchers and all
2 other pertinent records of all state agencies for the purpose of carrying out
3 the provisions of this section.

4 Sec. 12. Section 41-793, Arizona Revised Statutes, is amended to read:

5 41-793. Building systems; capital improvement plans

6 A. The department of administration, the Arizona board of regents and
7 the department of transportation shall each be considered as a separate
8 building system. Subject to approval by the joint committee on capital
9 review, the director of the department of administration shall establish
10 additional building systems for the purpose of computing and funding building
11 renewal. Subject to approval by the joint committee on capital review, each
12 building system shall designate an agency that is responsible for computing
13 building renewal needs for the ~~two~~ ensuing EACH fiscal years YEAR pursuant
14 to the formula approved by the committee and for allocating appropriated
15 building renewal monies within the building system.

16 B. The agency responsible for each building system established
17 pursuant to subsection A of this section shall prepare ~~every two years~~ EACH
18 YEAR a capital improvement plan that contains proposals for state spending
19 on land acquisition, capital projects, energy systems, energy management
20 systems and building renewal for the building system. Copies of the plan
21 shall be submitted to the governor no later than October 15 of ~~each~~
22 ~~even-numbered year~~. Each plan shall include:

23 1. A detailed list of all land acquisition and capital projects that
24 are recommended to be undertaken or continued for the building system during
25 the next ~~two~~ fiscal years YEAR, an explanation as to the need for each
26 acquisition or project, the effect of the recommended acquisition or capital
27 project on the future operating expenses of this state, recommendations as
28 to the priority of recommended acquisitions or capital projects and the means
29 of financing those acquisitions or projects.

30 2. Forecasts as to the requirements for land acquisition and capital
31 projects for the building system during the two fiscal years following the
32 ~~two~~ fiscal years YEAR provided for in paragraph 1 of this subsection and for
33 any additional periods as may be necessary or desirable for an adequate
34 presentation of the capital projects and a schedule for the planning and
35 implementation or construction of those capital projects.

36 3. A report on the status of all ongoing or recently completed land
37 acquisitions and capital projects for the building system, with a summary of
38 monies expended for each acquisition or project.

39 4. A report on the condition, maintenance and utilization of all
40 buildings within the building system that were inspected during the prior two
41 fiscal years YEAR.

42 5. A report on the building renewal activities undertaken during the
43 past fiscal year, including the specific purposes for which monies were
44 expended, proposed activities for the current fiscal year and a prioritized

1 schedule of renewal projects proposed for the following two fiscal years
2 YEAR.

3 6. The amount of appropriation required in the following two fiscal
4 years YEAR for building renewal as determined by the building renewal formula
5 set forth in section 41-793.01.

6 C. On or before June 1 of each even-numbered year or thirty days after
7 the state legislature adjourns in an even-numbered year ITS REGULAR SESSION
8 SINE DIE, whichever is later, each state agency under the department of
9 administration building system and not later than August 1 of each
10 even-numbered year each agency under the Arizona board of regents building
11 system shall provide to the agency responsible for its building system:

12 1. A detailed list of land acquisition and capital projects the agency
13 seeks to undertake or continue in the next two fiscal years YEAR, an
14 explanation as to the need for each acquisition or project, the effect of the
15 acquisitions or capital projects on future operating expenses of this state,
16 including energy systems and energy management systems, and other relevant
17 supporting data requested by the agency responsible for the building system.

18 2. Forecasts as to the requirements for land acquisition or capital
19 projects of the agency for the two fiscal years following the two fiscal
20 years YEAR provided for in paragraph 1 of this subsection and for any
21 additional periods as may be necessary or desirable for the adequate
22 presentation of the capital projects and a schedule for the planning and
23 implementation or construction of those capital projects.

24 3. A report on all ongoing or recently completed land acquisitions and
25 capital projects of the agency, with a summary of monies expended for each
26 acquisition or project, and energy consumption and expenditure information.

27 4. Any other information requested by the agency responsible for the
28 building system.

29 D. Each state agency in complying with subsection C, paragraph 1 of
30 this section and the agency responsible for each building system in complying
31 with subsection B, paragraph 1 of this section should give priority to fire
32 and life safety projects.

33 E. The agency responsible for a building system shall inspect the
34 condition, maintenance and utilization of each building within the building
35 system not less than once every four fiscal years and shall report its
36 findings pursuant to subsection B of this section. For purposes of complying
37 with this requirement, the agency responsible for each building system shall
38 inspect approximately fifty per cent of its buildings within the first two
39 years of the four year cycle. The agency shall inspect the other fifty per
40 cent of the buildings in the remaining two years of the four year cycle.

41 ~~F. The portion of the plan relating to the first two fiscal years~~
42 ~~constitutes the recommendations of the agency responsible for the building~~
43 ~~system with respect to capital appropriations in the budget for the next two~~
44 ~~fiscal years.~~

1 G. F. The governor shall prescribe standard forms in accordance with
2 the provisions of this section to be used by state agencies in preparing and
3 submitting capital improvement plans. The forms prescribed shall be so
4 constructed as to allow each building system to adequately provide
5 information pertinent to its manner of operation.

6 H. G. Each plan, forecast and report required for two or more fiscal
7 years in this section shall be delineated separately for each year.

8 Sec. 13. Section 41-1273, Arizona Revised Statutes, is amended to
9 read:

10 41-1273. Budget analyst; employees; duties

11 A. The joint legislative budget committee shall appoint a budget
12 analyst and other clerical and technical employees that may be required.

13 B. The budget analyst shall serve full time as staff director and
14 receive compensation as determined pursuant to section 38-611. The budget
15 analyst, as a prerequisite for appointment, shall have demonstrated the
16 budget analyst's competency and ability in the field of finance either in
17 private business or public work.

18 C. The budget analyst may be removed from office prior to expiration
19 of the budget analyst's term if, voting separately, a majority of the members
20 of each body constituting the joint legislative budget committee votes in
21 favor of removal.

22 D. The budget analyst shall prepare for distribution an analysis of
23 the governor's budget as soon after the budget is presented to the
24 legislature as is possible. The analysis, among other things, shall include
25 recommendations of the budget analyst for revisions in expenditures.

26 E. In consultation with the governor's office of strategic planning
27 and budgeting, the budget analyst shall determine and report to the governor
28 and the legislature an estimate of appropriations subject to the limit
29 imposed by article IX, section 17, Constitution of Arizona. The report shall
30 be published by:

31 1. February 15 of each odd-numbered year for the PRECEDING FISCAL
32 YEAR, FOR THE current fiscal year and FOR THE ENSUING FISCAL YEAR to reflect
33 the budget recommendations of the joint legislative budget committee. for the
34 ensuing fiscal year.

35 2. November 1 of each year to reflect the total amount appropriated
36 for the preceding and current fiscal years.

37 F. By November 1 of each odd-numbered year, the budget analyst shall
38 report and recommend to the committee:

39 1. A listing of funds that are recommended for elimination or
40 consolidation that represents not more than seven per cent of the total
41 number of funds in existence, including all federal, state and other sources
42 of monies and grants.

43 2. A listing of funds for conversion from nonappropriated status to
44 appropriated status that represents not more than seven per cent by dollar
45 amount estimated of all state nonappropriated funds.

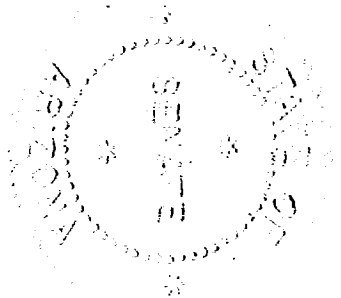
1 G. The legislature in making its appropriation for the operation of
2 the legislature shall allocate a portion thereof for the operation of the
3 joint legislative budget committee.

4 Sec. 14. Applicability

5 The application of the provisions of this act shall begin for the
6 2003-2004 fiscal year.

APPROVED BY THE GOVERNOR MAY 9, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 9, 2002.



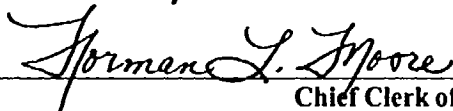
Passed the House May 6, 2002,

by the following vote: 41 Ayes,

16 Nays, 3 Not Voting



Speaker of the House

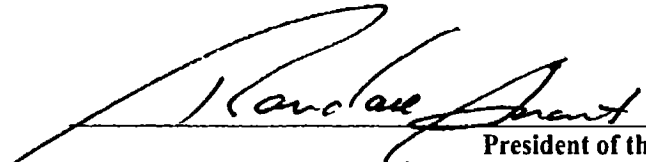


Chief Clerk of the House

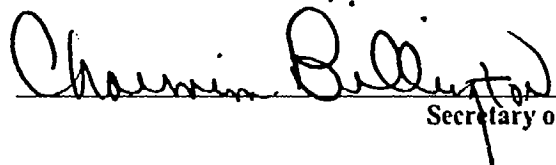
Passed the Senate March 27, 2002,

by the following vote: 21 Ayes,

9 Nays, 0 Not Voting



President of the Senate



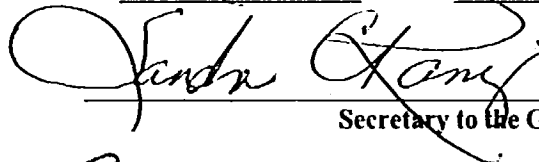
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

8 day of May, 2002

at 10:50 o'clock A M.



Secretary to the Governor

Approved this 9 day of

May, 2002,

at 12:50 o'clock P M.



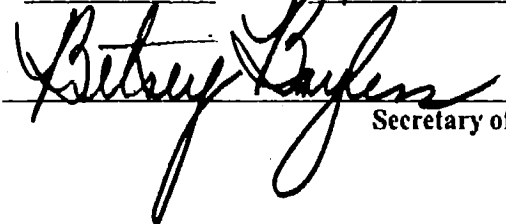
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 9 day of May, 2002,

at 3:27 o'clock P M.



Secretary of State

S.B. 1436